

**Statement of Cong. John Conyers, Jr.**  
**Broadband Press Conference**  
**May 3, 2001**

Today, we introduce two bills aimed at ensuring competition in broadband.

My bill help ensure that the local loop – the essential facility for DSL broadband – remains open for broadband competitors so long as an incumbent Bell Operating Company retains 85% of the market.

The local telephone facilities are the same facilities that, after being enhanced, will represent the broadband pipeline.

Because nearly every single American relies on local phone service, the monopoly that exists in local telephone service can thus easily be leveraged to become a monopoly in broadband service.

My bill would protect against multiple and discriminatory taxation for broadband services, further helping its deployment. It also provides financial incentives for broadband rollouts.

Local telephone service is still owned by monopolies who control over 90% of the market. Historically, that monopoly was created by Government.

But in the past 16 years, both the Courts (1984) and Congress (1996 Telecommunications Act) have said that the monopoly must be opened up to competitors. That was the principle focus of the '96 Act.

But today, there are those that want to reverse that policy of competition that has worked so well.

In the new broadband market, where we need competition more

than ever, the Tauzin-Dingell bill will unplug the requirements of the 96 Act. [As is illustrated by Chart 1]

That will mean that the Bell monopolies will be able to transfer their monopoly power that they now have in local telephony into the Broadband market.

That will mean fewer broadband providers and less competition, higher prices for consumers and lower innovation. Such is the empirical lessons of our experience in the new economy.

Just witness the reductions in long distance rates as an example where this is vigorous competition. Witness the increasing prices and worsening service in local telephone markets where there is no competition. [Charts 3 and 4].

I don't have anything against the Bell companies. SBC/Ameritech serves my constituents well.

But we cannot and will not tolerate a roll back of the 96 Act that requires that this government created monopoly now be opened to new competitors in the broadband market.

We don't need to do special favors for monopolies. We need more competition, more innovation, and lower prices in this emerging, exciting broadband market.